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# India

# Livestock and Products

# Annual

# 2003

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**Report Highlights:**
Despite moderate growth in CY2004 cattle population, exports of meat are forecast to grow by 12 percent to 520,000 tons to cater to the increasing demand from the traditional and emerging markets. Domestic beef consumption is forecast to increase to 1.55 million tons during CY 2004 and will remain second to poultry meat.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
New Delhi [IN1]
[IN]

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## PART I SITUATION AND OUTLOOK

### Production

On improved fodder availability and higher prices for buffalo meat (carabeef), India's cattle population in CY 2004 is forecast at 374 million, up 1.4 percent from the previous year. Buffaloes account for roughly 49 percent of the total cattle population. The buffalo population has registered a higher growth in recent years due to better economic returns to farmers from its high-fat milk and increasing export demand for buffalo meat. Although cow slaughter is generally banned in India due to religious sensitivities, there are no restrictions on the slaughter of buffaloes in most states. The government is presently contemplating a law enforcing a comprehensive nation-wide ban on cow slaughtering.

Commercial feed consumption is currently estimated at 10 million tons, constituting about 10 percent of the total feed consumption. Growing awareness about high quality feed and an expanding dairy and meat sector is expected to lead to a significant increase in the demand for commercial feed. Nonetheless, localized small feed formulators will continue to dominate the Indian feed sector in the near-term.

### Consumption

Per capita beef consumption is estimated at 1.4 kg compared with 740 grams of sheep/lamb meat and 1.5 kg of poultry meat. Increased awareness about the health implications of red meat coupled with better affordability of poultry meat due to rising incomes has favored poultry meat consumption, especially among urban consumers. The current retail price of beef averages $1.30 per kg compared to $ 2.7 per kg for sheep/lamb meat, and $ 1.76 per kg for poultry meat.

Livestock slaughtering is typically a small-scale operation catering to mostly the fresh meat consumers in the rural and semi-urban areas. There are a few large-scale, modern slaughterhouses, mostly to cater to the export market. Market for chilled or frozen meat is absent in India due to a lack of cold chain facilities and an aversion to frozen meat.

### Production Policy

Government animal husbandry programs are largely focused to improving milk production rather than the meat sector. There are no direct subsidies to the Indian meat sector except for a few government-funded research programs. Private exporters have taken up the primary responsibility for developing the meat sector with various outreach programs. There are nine export-oriented plants, which have incorporated HACCP and/or ISO 9000 standards in addition to the BIS (Bureau of Indian Standards) standards, which are obligatory for the export-oriented slaughterhouses. These plants are periodically inspected by the Agricultural and Processed Products Export Development Authority (APEDA) and other concerned government authorities for their adherence to domestic and export standards.

The private sector meat industry is also actively involved in developing their animal supply catchment areas through a variety of services (feed distribution, breeding, and vaccination) to meet the quarantine requirements of importing countries. This has helped them to develop disease free zones in their catchment areas.

Although there was a government proposal to introduce a bill (Prevention of Cruelty to Cows Bill, 2003) in the Parliament seeking a nation-wide ban on cow slaughter, following opposition from various political parties and state governments, the plan was shelved. The government has decided to convene an all-party meeting to reach consensus on the issue.

## Trade

CY 2004 carabeef exports are forecast to increase to 520,000 tons due to increased demand from both the traditional and emerging markets. Exports in CY 2003 are estimated to increase by 11 percent from the CY 2002 level to 465,000 tons (CWE) due to increased purchases by CIS and African countries. Exports to the UAE are estimated to increase during 2003 following increased re-exports to Iraq. The former CIS countries, which have been earlier importing beef from the EU, have recently begun sourcing from India due to the BSE concerns and competitive Indian pricing. Beef exports to West African countries are increasing due to promotional efforts by Indian exporters.

According to trade sources, 90 percent of Indian beef exports is as boneless and the balance as carcasses. Major markets for Indian specialty beef cuts are Malaysia, Philippines, Egypt, and Jordan, with smaller exports to the Middle East and African countries. The Philippines and Malaysia account for a major share of the fresh/chilled category, and the Middle East and Malaysia also import frozen meat. Most of the beef exported to the South East Asian countries is to cater to the institutional demand for processed beef products such as sausages, salami, etc., due to the better water holding capacity of carabeef and its better blending properties.

Foot and Mouth Disease (FMD) still remains a major hurdle in exporting to new, lucrative markets in South Africa, Indonesia, and Russia. Trade sources soon expect the opening up of the Indonesian market following an intensive joint campaign by the private sector and the Indian government in cooperation with the International Organization of Epizootics (OIE) and the development of FMD free zones in India.

Licensing requirements due to quarantine concerns effectively ban imports of live bovine animals. However, imports for breeding purposes could be done under an advance import license issued by the Department of Animal Husbandry. Due to the reported incidence of the TSE group of diseases since August 1999, the Government of India had banned imports of live cattle, buffalo, sheep and goat, fresh meat, meat products, tissue/organ (other than milk), meat, and bone meal of ruminant origin from countries where incidence of TSE group of diseases have been reported.

India prohibits imports of beef owing to religious sensitivities. However, limited opportunities exist for specialty beef cut imports to meet the demand in the luxury hotels serving wealthy Indians and foreign tourists.

## PART II STATISTICAL TABLES

### Table 1: Commodity, Animal Numbers, Cattle, PSD table

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **PSD Table** | | | | | | | |
| **Country:** | India | | | | | | |
| **Commodity:** | **Animal Numbers, Cattle** | | | | | | |
| | | **2002** | | **2003** | | **2004** | UOM |
| | Old | New | Old | New | Old | New | |
| **Calendar Year Begin** | | **01/2002** | | **01/2003** | | **01/2004** | (MONTH/YEAR) |
| Total Cattle Beg. Stks | 317000 | 317000 | 324200 | 323000 | 329000 | 326900 | (1000 HEAD) |
| Dairy Cows Beg. Stocks | 134200 | 134200 | 135700 | 135000 | 0 | 136300 | (1000 HEAD) |
| Beef Cows Beg. Stocks | 0 | 0 | 0 | 0 | 0 | 0 | (1000 HEAD) |
| Production (Calf Crop) | 45500 | 45500 | 46700 | 46200 | 0 | 47500 | (1000 HEAD) |
| Intra EC Imports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 HEAD) |
| Other Imports | 1 | 1 | 1 | 0 | 0 | 0 | (1000 HEAD) |
| TOTAL Imports | 1 | 1 | 1 | 0 | 0 | 0 | (1000 HEAD) |
| **TOTAL SUPPLY** | 362501 | **362501** | 370901 | **369200** | 329000 | **374400** | (1000 HEAD) |
| Intra EC Exports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 HEAD) |
| Other Exports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 HEAD) |
| TOTAL Exports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 HEAD) |
| Cow Slaughter | 1250 | 1250 | 1300 | 1350 | 0 | 1200 | (1000 HEAD) |
| Calf Slaughter | 2800 | 2800 | 3200 | 3200 | 0 | 3500 | (1000 HEAD) |
| Other Slaughter | 10200 | 10200 | 11000 | 11250 | 0 | 12000 | (1000 HEAD) |
| Total Slaughter | 14250 | 14250 | 15500 | 15800 | 0 | 16700 | (1000 HEAD) |
| Loss | 25251 | 25251 | 26401 | 26500 | 0 | 25500 | (1000 HEAD) |
| Ending Inventories | 323000 | 323000 | 329000 | 326900 | 0 | 332200 | (1000 HEAD) |
| **TOTAL DISTRIBUTION** | 362501 | **362501** | 370901 | **369200** | 0 | **374400** | (1000 HEAD) |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Calendar Yr. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |

**Table 2: Commodity, Meat, Beef and Veal, PSD Table**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **PSD Table** | | | | | | | |
| **Country:** | **India** | | | 0.7 | <- Conversion factor for CWE | | |
| **Commodity:** | **Meat, Beef and Veal** | | | | | | |
| | | **2002** | | **2003** | | **2004** | UOM |
| | Old | New | Old | New | Old | New | |
| **Calendar Year Begin** | | **01/2002** | | **01/2003** | | **01/2004** | (MONTH/YEAR) |
| Slaughter (Reference) | 14250 | 14250 | 15500 | 15800 | 0 | 16700 | (1000 HEAD) |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Production | 1810 | 1810 | 1920 | 1960 | 0 | 2070 | (1000 MT CWE) |
| Intra EC Imports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Other Imports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| TOTAL Imports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| **TOTAL SUPPLY** | 1810 | 1810 | 1920 | 1960 | 0 | 2070 | (1000 MT CWE) |
| Intra EC Exports | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Other Exports | 400 | 418 | 420 | 465 | 0 | 520 | (1000 MT CWE) |
| TOTAL Exports | 400 | 418 | 420 | 465 | 0 | 520 | (1000 MT CWE) |
| Human Dom. Consumption | 1410 | 1392 | 1500 | 1495 | 0 | 1550 | (1000 MT CWE) |
| Other Use, Losses | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| TOTAL Dom. Consumption | 1410 | 1392 | 1500 | 1495 | 0 | 1550 | (1000 MT CWE) |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| **TOTAL DISTRIBUTION** | 1810 | **1810** | 1920 | **1960** | 0 | **2070** | (1000 MT CWE) |
| Calendar Yr. Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |
| Calendar Yr. Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 | (1000 MT CWE) |